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Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 DHA-05 CU-04 AID-05 /071 W
----------021629 240042Z /72
R 231320Z AUG 77
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 5569
INFO AMEMBASSY COLOMBO
AMEMBASSY DACCA
AMEMBASSY ISLAMABAD
AMEMBASSY KABUL
AMEMBASSY KATHMANDU
AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS
CINCPAC

C O N F I D E N T I A L NEW DELHI 11874

CINCPAC FOR POLAD

EO 11652: GDS
TAGS: PINT, IN
SUBJ: BANSI LAL ARRESTED

REF: A. NEW DELHI 11552, B. NEW DELHI A-150

1. SAMACHAR REPORTS THAT FORMER DEFENSE MINISTER BANSI LAL WAS ARRESTED TODAY (AUGUST 23) ON CHARGES OF MISAPPROPRIATING SOME RS 500,000 ($US 58,000) IN YOUTH CONGRESS FUNDS. AS REPORTED IN REFAIR, BANSI LALA, THE ALLEGED "MASTERMIND OF THE EMERGENCY", HAS BEEN THE TARGET OF NUMEROUS INVESTIGAIONS BY THE CENTRAL BUREAU OF INVESTIGATION AND HARYANA STATE POLICE AUTHORITIES, AS WELL AS BY A SEPARATE OFFICIAL COMMISSION OF INQUIRY.
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HIS ARREST HAS BEEN ANTICIPATED FOR SEVERAL MONTHS AND FOLLOWS BY A WEEK THE ARREST OF OTHER "CAUCUS" MEMBERS ON CHARGES OF MASSIVE EMBEZZLEMENT OF CONGRESS PARTY FUNDS (REFTEL).

2. COMMENT: BANSI LAL'S ARREST IS LIKELY TO ELICIT FEW GESTURES OF SYMPATHY FROM CONGRESSMEN, ONE OF THE

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FIRST ACTS OF THE PARTY'S WORKING COMMITTEE FOLLOWING THE MARCH LOK SABHA DEFEAT WAS TO EXPEL HIM FROM THE CONGRESS FOR "UNDEMOCRATIC, AUTOCRATIC AND UNDIGNIFIED ACTIVITIES" WHICH HAD "DAMAGED THE IMAGE OF THE PARTY." WITH HIS RUTHLESS APPROACH TOWARD ADMINISTRATION FIRST AS CHIEF MINISTER OF HARYANA AND LATER AS MRS GANDHI'S DEFENSE MINISTER AND LEADING FIGURE IN THE SO-CALLED "CAUCUS" AROUND THE EX-PM, BANSI LAL HAD THOROUGHLY ANTAGONIZED LARGE SECTIONS OF THE CONGRESS, THUS MAKING HIM THE MOST CONVENIENT SCAPREGOAT FOR CONGRESSMEN SEEKING TO PIN THE BLAME FOR THE ELECTORAL DEBACLE.

3. WITH THE ARREST OF YET ANOTHER OF MRS GANDHI'S CLOSE ASSOCIATES, THE NETWORK OF GOVERNMENT PROSECUTIONS IS DRAWING EVER CLOSER TO SANJAY AND THE FORMER PRIME MINISTER HERSELF. EVEN THE CURRENT CASE AGAINST BANSI LAL ON MISAPPROPRIATING YOUTH CONGRESS FUNDS COULD CONCEIVABLY IMPLICATE SANJAY AT SOME POINT. (MOST OBSERVERS DO NOT BELIEVE MRS GANDHI HERSELF WILL BE JAILED, HOWEVER.)

4. THIS LATEST DEVELOPMENT IS CERTAIN TO FIGURE PROMINENTLY AT THE AUGUST 24-25 MEETING OF THE CONGRESS WORKING COMMITTEE, WHERE A MOVE IS ALREADY AFOOT TO INQUIRE INTO THE PARTY'S FINANCES. THE REVELATION CONCERNING YOUTH CONGRESS FUNDS IS LIKELY TO STRENGTHEN
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THE HANDS OF THOSE CONGRESSMEN ANXIOUS TO MAKE A CLEAN BREAK WITH THE PAST. IT WILL PROVIDE FURTHER AMMUNITION FOR THOSE PARTY LEADERS DETERMINED EITHER TO PURGE MRS GANDHI AND HER ASSOCIATES FROM THE CONGRESS OR AT LEAST TO BLOCK HER EFFORTS TO REASSERT A LEADERSHIP ROLE.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Concepts: ARRESTS, POLITICAL LEADERS, FRAUDS
Control Number: n/a
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: GS
Errors: N/A
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Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
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Review Content Flags:
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Secure: OPEN
Status: NATIVE
Subject: BANSI LAL ARRESTED
TAGS: PINT, IN, (LAL, BANSI)
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